



For Immediate Release  
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### **NNSA to Extend Contract for Operation of Sandia National Laboratories**

WASHINGTON, DC -- The National Nuclear Security Administration (NNSA) has granted a one-year contract extension to Lockheed Martin's Sandia Corporation in recognition of its performance in the management and operation of Sandia National Laboratories. The original five-year contract, due to expire in September, 2008, will be in force until September 30, 2009.

In making the decision NNSA used a novel provision in the current contract, negotiated in 2003, that permits the agency to reward good performance by executing incremental one-year extensions up to a maximum 10-year life of a contract.

"This is the first year NNSA has utilized the new award term feature in the Sandia contract," NNSA Administrator Linton Brooks said today. "I believe this added flexibility in contracting will lead to improved and innovative performance and in fact has already done so. Allowing a contractor to earn annual extensions for exceptional performance offers a unique and powerful incentive for leaders of management and operating contractors."

Under the terms of the contract, Sandia's performance is evaluated on a four-tier scale: outstanding (90-100), good (80-89), satisfactory (70-79) and unsuccessful (69 or less). If the contractor receives an outstanding score for overall performance, the organization becomes eligible to be considered for a one-year extension. Sandia's performance as related to NNSA's overall mission objectives was rated outstanding (90) for fiscal year 2004. Actual contract extension depends on successfully meeting specific "stretch" goals established annually by NNSA. For FY 2004 those goals included accomplishing unfunded mission work through increased efficiencies, establishing a multi-year program to improve management, and improving contributions to the overall nuclear weapons complex.

Sandia is a multi-program NNSA laboratory with main facilities in Albuquerque, N.M., and Livermore, Calif., Sandia has major R&D responsibilities in national security, energy and environmental technologies, and economic competitiveness. Lockheed Martin's Sandia Corporation has held the management and operating contract since 1993.

Established by Congress in 2000, NNSA is a semi-autonomous agency within the U.S. Department of Energy responsible for enhancing national security through the military application of nuclear energy. NNSA maintains and enhances the safety, security, reliability and performance of the U.S. nuclear weapons stockpile without nuclear testing; works to reduce global danger from weapons of mass destruction; provides the U.S. Navy with safe and effective nuclear propulsion; and responds to nuclear and radiological emergencies in the U.S. and abroad.

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